



**THOMAS L. GARTHWAITE, M.D.**  
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COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
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**BOARD OF SUPERVISORS**

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August 30, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**TWO HIV/AIDS SERVICES AGREEMENT AMENDMENTS: HIV/AIDS RESIDENTIAL  
HOSPICE AND SKILLED NURSING FACILITY SERVICES AND HIV/AIDS AMBULATORY  
OUTPATIENT MEDICAL SERVICES**  
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Director of Health Services, or his designee, to:

- 1) execute an amendment to the Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) renewal service agreement previously authorized by the Board of Supervisors on March 1, 2005, for hospice and skilled nursing facility services with AIDS Healthcare Foundation (AHF) at the existing rate, to extend the term to the period September 1, 2005 through February 28, 2006, on a month to month basis, for a total maximum obligation of \$870,862 pending completion of a new Request for Proposals; and
- 2) execute an amendment, to HIV/AIDS Ambulatory Outpatient Medical Services Agreement, Contract # H-209006, with AIDS Healthcare Foundation for the period March 1, 2004 through February 28, 2005, with no increase in total maximum obligation to reallocate funds retroactively among clinic sites.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:**

In approving the recommended action, the Board is authorizing the Department of Health Services (Department) to expend additional federal Health Resources and Services Administration (HRSA) Ryan White Comprehensive AIDS Resource Emergency (CARE) Act Title I-Year 15 and County AIDS funds, through an extension of an the previously authorized contract with AHF, for the continuing provision of hospice and skilled nursing facility services.

Additionally, AHF has provided outpatient medical services within the overall maximum allowable amount permitted by its existing agreement with the County. However, the distribution of services throughout its sites was not fully consistent with site specific allocation in the Agreement. AHF was unclear that it could not expend more at any one site than was provided for in the Agreement, and in good faith provided excess services in some areas. In approving the recommended actions, the Board is further authorizing the Department to reallocate funds within the HIV/AIDS outpatient medical services agreement to permit AHF to be reimbursed for the costs incurred at each site in treating eligible patients for the contract budget period ended February 28, 2005.

#### **FISCAL IMPACT/FINANCING:**

The total maximum obligation for the extended residential hospice and skilled nursing agreement for the period September 1, 2005 through February 28, 2006, is \$870,862 offset by CARE Act Title I-Year 15 and County AIDS funds. Funding for these services is available in the FY 05-06 adopted budget. Payments under the agreement will be made on a fee-for-service basis.

The amendment to the outpatient medical agreement does not change the overall maximum obligation of that agreement.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

The CARE Act of 1990 authorizes grants for the development, coordination, and operation of effective and cost efficient services to people infected with HIV disease or AIDS. Through the CARE Act, there are two sources of funding for Los Angeles County: Title I funds awarded directly to the County and administered by DHS and Title II funds awarded directly to the State and administered locally by the County. Since 1991, the Board has accepted in excess of \$380 million in CARE Act funds. The Board has taken a number of actions to expend the grant funds, primarily through contracts with community-based organizations.

##### **Residential Hospice and Skilled Nursing Care Services**

On March 1, 2005, the Board authorized the Department to enter into a renewal agreement with AHF for the provision of residential hospice and skilled nursing services, pending the preparation and completion of a new bidding process for these services. The renewal agreement was to provide for payment at the same rate as previously, but was to include provisions for preadmission medical and financial screening effective for the period March 1, 2005 through May 31, 2005, on a month-to-month basis. On May 17, 2005, the Board authorized the Department to extend this renewal agreement for three months to allow the Department additional time to complete an RFP for such services. The Department and AHF are still in the process of finalizing and executing the authorized agreement.

Although the RFP has been issued; it will take additional time to finalize agreements with one or more service providers. The proposed additional extension will allow AHF to continue to provide compensated services in the meanwhile. Services under the extended agreement, if all six months are authorized, include up to 2048 hospice and skilled nursing bed-days at a rate of \$425.00 per day. The amended agreement will require that written documentation of medical as well as financial eligibility must be submitted and approved prior to client admission.

##### **Outpatient Medical Services Agreement**

On February 17, 2004, the Board approved Amendment Number 7 to Contract # H-209006 with AHF for outpatient medical services. This amendment extended the term to February 28, 2005, plus an additional nine months of month-to-month extensions. In addition to an overall contract maximum obligation, the agreement contains maximum obligations for each of the clinic sites where AHF provides services. AHF, however, was not clear that the maximum obligations were, in fact, site specific, and that cost shifting among sites would not be permitted. Accordingly, in good faith, it rendered services and submitted cost reports demonstrating total reimbursable costs at all sites equal to or exceeding the overall maximum obligation for the period ended February 28, 2005, but the costs exceed the maximum obligation in some specific clinic sites and are less than the maximum obligation in others.

The proposed amendment would change the maximum obligation by clinic site to permit AHF, as much as possible, to be fully reimbursed for the costs of caring for patients. However, the proposed amendment would not change the County's overall maximum obligation under the agreement.

Approval of this amendment would shift the maximum obligation from the Westside, Downtown, Whittier, Carl Bean, and El Monte sites to AHF's Hollywood, San Fernando Valley, Antelope Valley, and Redondo Beach sites.

County Counsel will have reviewed and approved both amendments as to form prior to their distribution to the contractor for signature.

Attachment A provides additional information.

**CONTRACTING PROCESS:**

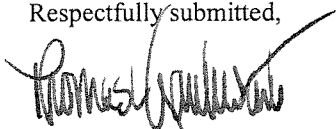
An RFP for the residential hospice and skilled nursing services was released the week of August 8, 2005. Proposals are due September 2, 2005. Once the proposals are evaluated, the Department will return to the Board with proposed contracts and request termination of this residential agreement.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Approval of these agreement amendments will allow Countywide HIV/AIDS hospice and skilled nursing facility services and outpatient medical services to continue uninterrupted.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:pm

Attachments (1)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT1. TYPE OF SERVICE:

HIV/AIDS Care Services, Residential hospice and skilled nursing  
HIV/AIDS Outpatient Medical

2. AGENCY NAME AND CONTACT PERSON:

AIDS Healthcare Foundation  
6255 West Sunset Boulevard, Suite 2100  
Los Angeles, California 90028-8073  
Attention: Michael Weinstein, President  
Telephone: (323) 860-5200  
Fax: (323) 962-8513

3. TERM:

Residential hospice and skilled nursing, March 1, 2005 through February 28, 2006

4. FINANCIAL INFORMATION:

Residential	03/01/05- 05/31/05	06/01/05- 08/31/05	09/01/05- 02/28/06	<u>Total</u>
Maximum County Obligation:	\$435,431	\$435,431	870,862	1,741,724
HRSA CARE Title I Funds:	<\$128,945>	0	0	128,945
Net County Cost:	\$306,486	\$435,431	870,862	1,612,779

5. GEOGRAPHIC AREA SERVED:

Countywide

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Mario J. Perez, Interim Director,  
Office of AIDS Programs and Policy

7. APPROVALS:

Public Health:	John F. Schunhoff, Ph.D., Chief of Operations
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form):	Eva Vera, Deputy County Counsel